Senate Budget & Fiscal Review

Senator Wesley Chesbro, Chair

Subcommittee No. 3
on
Health, Human Services, Labor, & Veterans Affairs

Senator Wesley Chesbro, Chair
Senator Gilbert Cedillo
Senator Tom McClintock
Senator Bruce McPherson
Senator Deborah Ortiz

April 7, 2003

2:30 PM *or* Upon Adjournment of Session

Room 4203

(Diane Van Maren, Consultant)

Item	*Description*
4300	**Department of Developmental Services—*Selected Issues***

- Community-Based Services—Selected Issues
- State Developmental Centers—Selected Issues

Note: Only those items listed in today's agenda will be heard today. The DDS will be discussed again as **noted in the Senate File, including at the time of the May Revision.** Thank you.

Note: Today's Hand Out package primarily consists of the Administration's proposed trailer bill language. If you do not obtain a copy of this package today (limited copies available), please obtain copies of the Administration's proposed trailer bill language by contacting either the DDS or DOF directly (it is their language). Thank you.

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling 916-324-9335. Requests should be made one week in advance whenever possible.

4300 Department of Developmental Services

A. BACKGROUND

Description of Eligibility & Purpose of Department

The Department of Developmental Services (DDS) administers services in the community through 21 Regional Centers and in state Developmental Centers for persons with developmental disabilities according to the provisions of the Lanterman Developmental Disabilities Services Act. **To be eligible for services, the disability must begin before the consumer's 18th birthday, be expected to continue indefinitely, present a significant disability and be attributable to certain medical conditions, such as mental retardation, autism, and cerebral palsy.**

The purpose of the department is to (1) ensure that individuals receive needed services; **(2)** ensure the optimal health, safety, and well-being of individuals served in the developmental disabilities system; **(3)** ensure that services provided by vendors, Regional Centers and the Developmental Centers are of high quality; **(4)** ensure the availability of a comprehensive array of appropriate services and supports to meet the needs of consumers and their families; **(5)** reduce the incidence and severity of developmental disabilities through the provision of appropriate prevention and early intervention service; and **(6)** ensure the services and supports are cost-effective for the state.

Description and Characteristics of Consumers Served

The department occasionally produces a Fact Book which contains pertinent data about persons served by the department. The fifth annual edition, released in November 2002 contains some interesting data, including the following facts:

Department of Developmental Services—Demographics Data from 2001

Age	Number of Persons	Percent of Total	Residence Type	Number of Persons	Percent of Total in Residence
Birth to 2 Yrs.	18,586	10.5%	Own Home-Parent	122,520	69.2%
3 to 13 Yrs.	51,356	29.0%	Community Care	26,851	15.2%
14 to 21 Yrs.	28,025	15.8%	Independent Living /Supported Living	15,312	8.7%
22 to 31 Yrs.	25,381	14.3%	Skilled Nursing/ICF	8,550	4.8%
32 to 41 Yrs.	23,237	13.1%	Developmental Center	3,695	2.1%
42 to 51 Yrs.	17,895	10.1%			
52 to 61 Yrs.	8,275	4.7%			
62 and Older	4,173	2.4%			
Totals	***176,928***	***100%***		***176,928***	***100%***

Summary of Governor's Proposed Budget Overall

The budget proposes total expenditures of $3.227 billion ($1.957 billion General Fund), for a *net* increase of $281.6 million ($130.9 million General Fund) over the revised 2002-03 budget, to provide services and supports to individuals with developmental disabilities living in the community or in state Developmental Centers.

Of the total amount, $2.537 billion is for services provided in the community, $655.1 million is for support of the state Developmental Centers, $35.4 million is for state headquarters administration and $4,000 is for state-mandated local programs.

Summary of Expenditures (dollars in thousands)	2002-03	2003-04	$ Change	% Change
Program Source				
Community Services Program	$2,259,667	$2,536,710	$277,043	12.3
Developmental Centers	$655,560	$655,132	-428	--
State Administration	$30,438	$35,389	4,951	16.3
State Mandated Local Program	$4	$4		
Total, Program Source	$2,945,669	$3,227,235	$281,566	9.6
Funding Source				
General Fund	1,826,777	1,957,632	130,855	7.2
Federal Funds	49,589	51,695	2,106	4.2
Program Development Fund	2,059	1,931	-128	-6.2
Lottery Education Fund	2,057	2,057		
Reimbursements: including Medicaid Waiver, Title XX federal block grant and Targeted Case Management	1,065,187	1,213,920	148,733	14
Total	$2,945,669	$3,227,235	$281,566	9.6

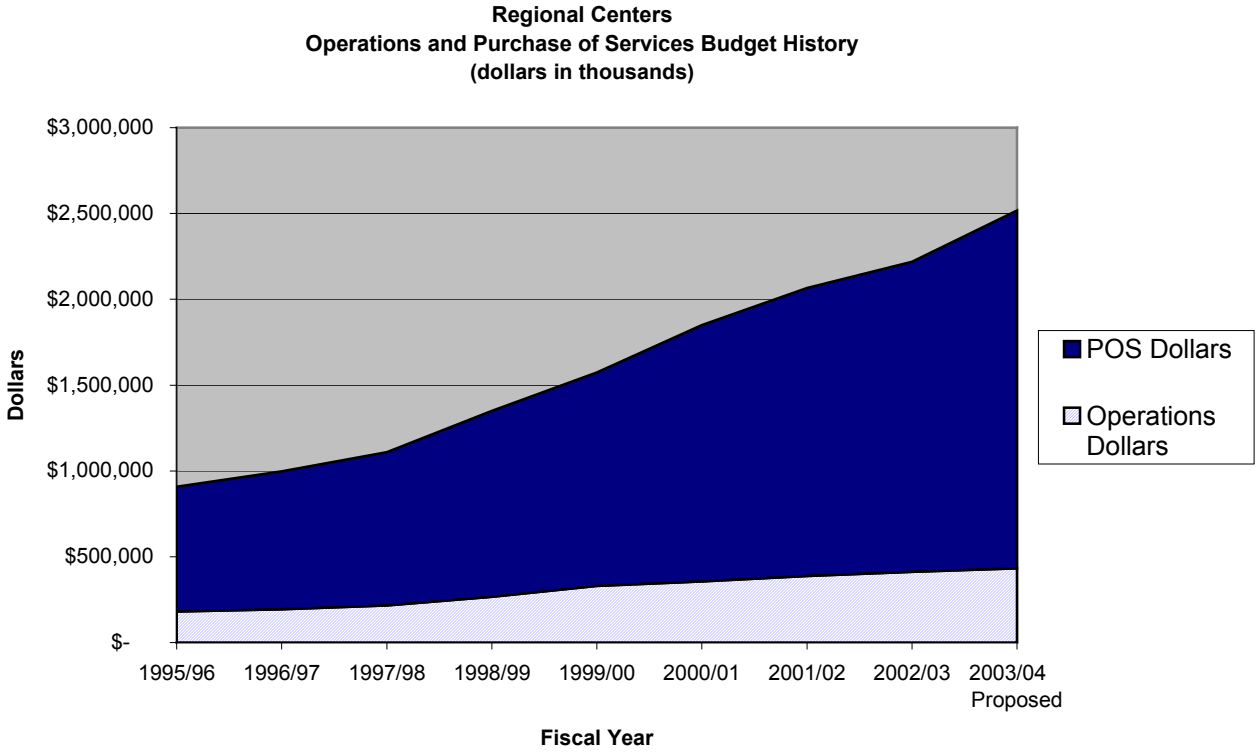
B. COMMUNITY BASED SERVICES

Background on Growth in Expenditures

It should be noted that in reviewing **the past five years of actual fiscal data (1996 to 2001)**, the budget for total program expenditures (including Regional Center operations and purchase of services**) has increased by over 107 percent from $996.9 million (total funds) in 1996 to almost $2.1 billion (total funds) in 2001.**

The Purchase of Services category expenditures has increased from $802.4 million (total funds) in 1996 to almost $1.7 billion (total funds) in 2001 for an increase of $875.4 million in five years, or 109 percent. During this same period, caseload increased by 40,500 individuals, or 29 percent.

Last year, the LAO noted that the rate of growth proposed in the budget was greater than for most other major health and social services caseload programs. The LAO also noted that unlike most health and social services provided by the state, the amount of services provided by the Regional Centers is not limited through statewide standards.



Summary of Governor's Proposed Budget for Community-Based Services

The DDS contracts with 21 not-for-profit Regional Centers (RCs) which have designated catchment areas for service coverage throughout the state. The RCs are responsible for providing a series of services, **including case management, intake and assessment**, community resource development, and individual program planning assistance for consumers. **RCs also purchase services for consumers and their families from approved vendors and coordinate consumer services with other public entities.**

The budget proposes expenditures of $2.537 billion ($1.574 billion General Fund) for community-based services, provided via the RCs, to serve a total of 193,100 consumers living in the community. This reflects an increase of $277 million ($126.7 million General Fund), or 12.3 percent, over the revised 2002-2003 budget.

Of the proposed $126.7 million General Fund increase, $114 million General Fund is related to a proposed transfer of the Habilitation Services Program from the Department of Rehabilitation to the DDS. *(This issue was discussed when the Department of Rehabilitation was reviewed by this Subcommittee.)*

The overall funding level includes $432.2 million for RC operations and over $2.1 billion for local assistance, including funds for the Purchase Of Services for consumers, program development assistance, the Early Start Program, and habilitation services. About 193,100 consumers are anticipated to be served through the Regional Centers. **This reflects an increase of 9,560 consumers, or 5.2 percent over the current-year.**

Major adjustments to the proposed budget include the following:

- Increased federal reimbursements for the prior year (2001-02);
- Proposed establishment of "statewide Purchase Of Services standards" for a reduction of $100 million (General Fund);
- Change in the definition of substantial disability as it relates to eligibility for services for savings of $2.1 million (General Fund);
- Proposed establishment of a co-pay for services directed towards families whose children (aged 3 years to 17 years) live at home for *net* savings of $29.6 million (General Fund);
- Increase of $65.7 million in Title XX Social Services Block Grant funds to offset General Fund expenditures of the same amount;
- Increase of $101 million in federal reimbursements associated with efforts directed at obtaining increased federal reimbursements for certain services to offset General Fund expenditures of the same amount; **and**
- Transfer of the Habilitation Services Program from the Department of Rehabilitation to the DDS. (This transfer results in a proposed overall savings to the state in General Fund expenditures. This issue was discussed by the Subcommittee under the Department of Rehabilitation hearing.)

ITEMS FOR DISCUSSION

1. "Base-Line" Estimate for the Regional Centers—Caseload and Utilization

Background on the Purchase of Services (POS): The DDS contracts with 21 not-for-profit Regional Centers (RCs) which have designated catchment areas for service coverage throughout the state. RCs purchase services for consumers and their families from approved vendors when "generic" services are not available or appropriate, and coordinate consumer services with other public entities. The **Purchase Of Services (POS) portion** of the Regional Center budget **accounts for about 80 percent of total expenditures**.

For budget development and allocation purposes, the **POS budget consists of four key categories—Residential Placement, Day Programs, Transportation and Other Services which includes health care, respite, support services and other miscellaneous services. The budget proposes the following for these service categories:**

• Residential Placement	$583.4 million	increase of $40.9 million (total)
• Day Programs	$594.8 million	increase of $54.4 million (total)
• Other services (respite, support services, health care & others)	$694.9 million	increase of $112.2 million (total)
• Transportation	$176 million	increase of $15.1 million (total)
Subtotal (*unadjusted*)	**$2.049 billion**	increase of $222.6 million (total)
Proposal Statewide Standards Savings	*(-$100 million)*	
Revision of Eligibility Definitions	*(-$2.1 million)*	
(Both Discussed as separate Agenda items, below)		
Proposed TOTAL	**$1.948 billion (Rounded)**	

Background on Regional Center Operations: The RC Operational budget covers the staff who provide the RCs' direct services to consumers and their families, and the organizational functions in which they operate.

Generally, the RCs Operations budget consists of four components—(1) mandated services, (2) support functions, (3) special case add-ons, and (4) non-personnel costs. Mandated services includes the following: intake and eligibility assessment, case management, clinical support, community services (such as communications and customer service) and fiscal administration (including vendor and consumer custodial payments). **Support functions** includes the following: executive and administrative personnel, human resources, internal finance, information systems support, consumer records management and communications and logistics. **Special case add-ons** includes the following: items applicable to certain RCs only (such as Foster Grandparents), and items contracted via RC budgets statewide (such as Life Quality Assessments). **Non-personnel costs** includes the following: facilities (rent and/or mortgage), board governance development and facilitation, and all other administrative costs.

The *base-line* budget proposes the following for key items for Regional Center Operations:

• Operations Staffing	$387.1 million (total funds)	increase of $19.9 million (total funds)
• Federal Compliance	$25.7 million (total funds)	increase of $123,000 (total funds)
• Other Direct Services	$6 million (total funds)	reduction of $1.2 million (total funds)
• Contracts and Projects	$22 million (total funds)	increase of $2.3 million (total funds)
• Unallocated Reduction	(-$10.6 million)	From Budget Act of 2002 (continuation)
• Intake & Assessment	(-$4.5 million)	From Budget Act of 2002 (continuation)
Proposed TOTAL	**$425.7 million (total funds)**	net increase of $21.1 million

The Operations Staffing amount includes funds of: (1) $217.9 million (total funds) for direct services such as for clinical staff, intake and assessment, quality assurance and monitoring, special incidence reporting and mediation, **(2)** $50 million (total funds) for administrative staff such as for the executive branch, fiscal, information systems and human resources, and clerical support, **(3)** $63.5 million (total funds) for staff health, dental, vision and related benefits, **(4)** reduction of $11.2 million to reflect a salary savings adjustment reduction, **(5)** $694,000 (total funds) for Early Start Program staff, **(6)** $1.6 million (total funds) for federal financial participation, and **(7)** $64.6 million for operating expenses and rent.

The **Federal Compliance** amount includes both personal services and operating expenses for key project areas related to the state's receipt of federal funds. **This includes: (1)** $21.1 million for the Home and Community-Based Waiver, **(2)** $4.1 million for Targeted Case Management, and **(3)** $423,000 for Nursing Home Reform-Preadmission Screening and Resident Review.

The **Other Direct Services** amount includes a wide variety of services, including specialized therapeutic services, family training, nutritional supplements, adaptive skills training, behavior management, durable medical equipment, nurses aid assistance, and many other items.

The **Contracts and Projects** amount includes funding for such items as the Wellness Projects, Health Insurance Program and Portability Act (HIPPA), Training for Community Care staff, and various other contract items.

Governor's Proposed Budget: The ***base-line*** **budget** estimate for the Regional Centers contains the **following key adjustments:**

- ***Caseload and Service Utilization Adjustments:*** The budget proposes **an increase of $242.4 million ($147.8 General Fund) to provide for an increase in caseload of 10,870 consumers, as well as increased utilization of purchase of services (POS) based on consumer needs. It should be noted that as consumer's needs evolve and change, the utilization of services can increase. For example, it is likely that an infant may not need intensive services initially, but as that individual ages into puberty and adulthood, additional services (such as Residential Services) may be needed.**

  Of the increased amount over the current-year, $222.6 million (total funds) is for the POS and $19.8 million is for Regional Center Operations.

- ***Continues Deferral of Intake and Assessment:*** The omnibus health trailer legislation for the Budget Act of 2002 extended the intake and assessment process for new consumers from 60 days to 120 days for two years. As such, the budget proposes to continue this deferral for another year.

- ***Suspension of Purchase of Services for Start Up:*** The Budget Act of 2002 suspended funds for the Purchase of Services for the start-up of any new non-Community Plan programs. The budget proposes to continue this suspension for one more year.

- ***SSI/SSP Passthrough for Community Care Facilities:*** The budget proposes to provide $790,000 to continue to pass through the federal portion of the SSI/SSP increase to Community Care Facilities (CCFs), effective January 1, 2004. About 20,800 people with developmental disabilities reside in 4,500 CCFs licensed by the Department of Social Services. As such, over 50 percent of consumers living in out-of-home placement settings reside in CCFs. Since the Budget Act of 1998, annual SSI/SSP increases have been passed through to CCF providers.

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1. Please provide a brief summary of the baseline adjustment for the Purchase of Services area.**
- **2. Please provide a brief summary of the baseline adjustment for Regional Center Operations.**

Budget Issue: Does the Subcommittee want to adopt or make changes to the ***base-line*** **budget**?

2. Administration's Parental Co-Pay Proposal *(See Hand Out)*

Background and Existing Parental Fee: Unlike most other health and social services programs, **the state's Lanterman Act provides an entitlement to services regardless of a family's income and economic resources**.

As noted by the LAO, less than 1 percent of the RCs consumers or their families pay any share of the cost of the services they receive. Specifically, children under the age of 18 who live in a 24-hour out-of-home environment (such as at the Community Care Facility) currently pay a sliding scale fee based on the family's ability to pay.

The parental fee collected from families with children under the age of 18 who live in a 24-hour out-of-home environment **is deposited in the Program Development Fund**, a special fund administered by the DDS and used for Purchase of Services (POS) expenditures statewide.

Governor's Budget Proposal (See Hand Out): The budget assumes **increased revenues of $31.5 million** through the implementation of **a new Parental Copay Assessment to be enacted through trailer bill legislation. In addition, the DDS is requesting an increase of almost $1.8 million to fund 24 new positions. Therefore, the budget assumes a net savings of about $29.6 million (General Fund) from this proposal overall.**

It should be noted that the revenues generated from the proposed copay assessment would be deposited into the General Fund and *not* be used to directly offset the cost of the RC program specifically.

This proposed program **would require parental financial participation for certain children who live at home and receive services from Regional Centers**. Based on recent caseload data, **up to 65,000 children** (aged 3 to 17 years) could be affected by the copay proposal. **The key components of this copay assessment are as follows:**

- Copayments would be assessed **on families with children ages 3 to 17 years living at home** that access Regional Center services and **who are *not* eligible for Med-Cal**.
- Copayments would be assessed **on families at or above 200 percent of the federal poverty level, based on annual adjusted *gross* income as reported on state income tax returns and provided to the Franchise Tax Board**. (Families below 200 percent of poverty would be exempt from the copay requirement, as well as children enrolled in Medi-Cal.)
- Families would pay **up to a maximum of 10 percent of their gross income for the cost of services provided through the Regional Center for the child. For example**, a family making $50,000 annually would pay up to $5,000 (10 percent), not to exceed the costs of services purchased for the child. **The entire copayment amount would have to be paid within one year of the initial assessment.**
- Families would be given 60-days to appeal any copay billing issue, or to correct any changes in family income.

- **Families with infants and toddlers from birth to 3 years of age would be exempt** from the copay because federal law imposes considerable requirements that would need to be followed if a state desires to implement a fee.

In addition, the <u>Administration's trailer bill language would require</u>:

- Each parent of a child (as applicable) **to provide the parent's social security number** to the Regional Center;
- The State Franchise Tax Board (Board) **to provide the DDS with access to information provided on income tax returns of parents of children** (as applicable) for purposes of administering the parental co-pay; and
- **The DDS to provide the Board with the names and social security numbers of families so the Board can access income and tax information**;

<u>Subcommittee Staff Comment and Considerations:</u> As noted by the Legislative Analyst's Office (LAO), **some form of enrollment fee or copay should be considered. The LAO further contends that as long as copays are reasonable in their amount and based upon a family's ability to pay them, copays could help deter excessive use of the available services without deterring their appropriate usage.**

It should be noted that there are several health care programs which presently require an enrollment fee or have a copay component. Both the California Children's Services (CCS) Program and the Genetically Handicapped Persons Program (GHPP), not only have income limitations but also require an annual enrollment fee. The **Medi-Cal Program** not only has numerous income and resource requirements, **but also contains several copayments for services**, including copays for pharmacy benefits, physician services and emergency room treatment. Further, **the Healthy Families Program** (200 % to 250% of poverty) requires families to pay monthly premiums to maintain enrollment of their children for health care coverage.

Though consideration of an enrollment fee or copay should be considered, the Administration's proposal as currently crafted exhibits several analytical flaws. **<u>Key concerns regarding the Administration's proposal are as follows:</u>**

- ***<u>No Sliding Fee Scale:</u>*** **The Administration's proposal does <u>not</u> utilize a sliding-fee methodology.** All applicable families with incomes 200 percent of poverty or above would be required to pay up to a maximum of 10 percent of their families' annual gross income. As such, lower-income families would be responsible for the same proportion of payment as a wealthier family. Most copays are usually based on a sliding fee scale (such as community-based clinic copay mechanisms).
- ***<u>Not Based on Family Size:</u>*** Under the Administration's proposal, minimum family income level requirements for copays would ***not*** be adjusted based on family size. As such, families of five or greater could be required to make copays although their incomes are below 200 percent of poverty. **In addition, the proposal does not account for families who have more than one child with developmental disabilities.**

- ***Revenue Estimate is Probably Too High:*** The **revenue estimate is probably too high.** First, the DDS does not maintain income data on the consumers or their families. As such, this estimate is based upon fiscal data obtained from the DOF, coupled with DDS demographic data. Second, the revenue estimate for the copay proposal did not take into consideration the interaction of the proposed statewide standards. In other words, if some form of statewide standards is implemented, the revenues assumed under the copay proposal would need to be reduced because the estimate for the copay proposal was based on current Purchase of Services expenditures.

- ***Access to State Franchise Tax Board Records and Need for Social Security Number:*** The Administration's trailer bill invades an individual's right to privacy with respect to provisions regarding access to tax records and related data. Many other state-operated public programs—such as Healthy Families and Medi-Cal—utilize pay stubs and tax returns provided by the program applicants. **There is no need to invade someone's privacy and allow for full access to State Franchise Tax Board records. In addition, submittal of a Social Security Number by a parent should not be required in order for the child to obtain services. This is not current policy for Regional Center services, nor many other public programs.**

- ***Request for DDS Staff:*** The budget requests an increase of **$1.757 million (General Fund) to fund 24 new positions to implement the proposal.** This includes: a Staff Services Manager II, two Staff Services Manager's I, eight Associate Governmental Program Analyst's, eleven Office Technician's one Senior Programmer, and one Information Systems Technician. **This level of staffing is simply not justified. Contingent upon what is finally crafted regarding this issue, either RC staff could be used or a significantly less staff intensive proposal for the DDS could be developed. The LAO has also expressed concerns regarding the requested positions indicating that they are not justified.**

Legislative Analyst Office Comments—Concerns as Crafted & Broaden the Copay Requirement: As noted above, **the LAO believes that a copay of some form is warranted** for RC consumers. They believe that the very implementation of a copay would probably cause a decrease in the demand for RC services. **However, the LAO also has concerns with how the Administration's copay is written. They note among other things the following:**

- ***Lacks Several Key Details:*** The **LAO notes that the proposal lacks specifics that are important to clarify before any proposal can be implemented.** For example, **the proposal does not clearly indicate whether the schedule used to determine the copay due from any particular family would be calculated based on a set percent of income, based on a sliding scale, or based on some other mechanism.** It is also unclear when families would make the copayments for the services received.

- ***Family Size:*** The LAO contends that under the Administration's proposal, minimum family income level requirements for copays would not be adjusted based on family size. As such families of five or greater could be required to make copayments although their incomes were below 200 percent of poverty.

They also raise two issues about potentially broadening the copay to additional RC consumers, including infants and toddlers birth to three years of age and RC consumers who are 18 years and older. They note that federal government approval would be needed to

impose a copay on individuals from birth to three years of age but that additional revenue provided to the state would probably be significant (several millions annually). In addition, they state that even though RC consumers aged 18 years and older are not likely to have much in financial resources, the amount of state revenue that could be generated from charging copays to these individuals could nonetheless be significant.

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1.** Please provide a **brief summary** of your proposal.
- **2.** Is the Administration **interested in possibly redesigning a proposal** that addresses some of the concerns expressed? Are there any particular considerations or suggestions that you may have at this time which can be shared?

Budget Issue: Does the **Subcommittee want to direct Subcommittee staff to work with the DDS to develop options for the Subcommittee to consider?**

3. DDS Proposal Regarding Enhanced Federal Funds From Several Sources *(See Hand Out)*

Background--DDS Efforts to Obtain Increased Federal Funding (See Hand Out): Over the course of the past several years, the state has been aggressively pursing receipt of additional federal funds. **As noted in the Hand Out package, from 1999-2000 to 2003-04 the DDS has been able to increase the state's receipt of federal funds for services provided to individuals with developmental disabilities from $508.2 million (1999-2000) to an estimated $961.4 million (2003-04) for an increase of over 89 percent in four years.**

Most notably, receipt of federal funds under the Home and Community-Based Waiver has increased from $283.6 million (1999-2000) to $556.2 million (2003-04), or over 96 percent during this time. The Waiver has allowed the state to conserve General Fund dollars by shifting Medicaid (Medi-Cal) eligible consumers to Waiver services while granting flexibility and assisting the state in complying with the Coffelt Settlement and the Olmstead Decision**. A portion of the additional federal Waiver funds have also been used to enhance quality assurance measures, service monitoring, and several other items.**

Targeted Case Management (TCM) services has shown a more gradual adjustment. Under TCM, case management services are furnished to consumers in order to provide access to needed medical, educational and social services. Persons with developmental disabilities are identified as being a "targeted" group under California's State Medicaid Plan as provided for under federal law.

This TCM approach enables California to draw a federal match for these services, versus using solely General Fund support. Functions allowed to be claimed under TCM include: (1) consumer assessment, (2) development of a specific care plan, (3) referral and related activities to assist the consumer to obtain needed services, and (4) monitoring and follow-up. In general, allowable services are those that include assistance in accessing a medical or other service, but do not include the direct delivery of the underlying service.

With respect to the Title XX Social Services Block Grant Funds and the Early Start Program, both of these federal fund sources are contingent upon a set amount of funding that the state receives from the federal government in the form of overall block grants. As such, the state is limited in its ability to obtain additional federal funds for these two items unless Congress and the President appropriate additional funds.

Background-- The Home & Community-Based Services Waiver: Under this Waiver, **California can offer services to individuals who would otherwise require the level of care provided in an intermediate care facility for persons with developmental disabilities.** Use of these "waiver services", such as assistance with daily living skills and day program habilitation, **enable people to live in less restrictive environments such as in their home or at a Community Care Facility.**

California's Waiver is one of the largest in the nation, both in number of recipients and expenditures. The Waiver **has allowed the state to conserve General Fund dollars by shifting Medicaid eligible beneficiaries to waiver services** while granting flexibility and assisting the state in complying with the Coffelt Settlement in the mid-1990's, as well as the Olmstead decision. A portion of the additional federal Waiver funds have also been used to enhance quality assurance measures, service monitoring, and several other items.

Home and Community-Based Waiver Update: **The Waiver has been renewed several times, most recently in October 2001. Under this most recent Waiver renewal, the federal CMS provided California with a 5-year operation period.**

However in order to obtain this federal approval, the state had to provide assurances that issues identified in a comprehensive 1997 federal audit had been remedied and would continue to be addressed through specific measures. Through an extensive process in working with the federal CMS, the DHS, Regional Centers and other involved parties, the DDS has been able to have 20 of the 21 Regional Centers certified for Waiver compliance and enroll individuals onto the Waiver.

In February 2003, California obtained federal approval of an amendment to the Waiver to increase the number of individuals that can be enrolled. **Specifically, California can now operate under the following enrollment levels *(done by federal fiscal year)*:**

- October 1, 2002 to September 30, 2003 — 55,000 individuals
- October 1, 2003 to September 30, 2004 — 60,000 individuals
- October 1, 2004 to September 30, 2005 — 65,000 individuals
- October 1, 2005 to September 30, 2006 — 70,000 individuals

Generally, there are four basic criteria required for a consumer to be enrolled on the Waiver. These are that the individual:

- Be enrolled for full-scope Medi-Cal;
- Meet certain level-of-care eligibility criteria (i.e., otherwise need institutional care);
- Live in an eligible residential environment (i.e., not in a health facility); and
- Choose enrollment.

Governor's Mid-Year Reduction: The Administration **proposed to use $142.7 million in increased federal reimbursements to be obtained through the Home and Community-Based Waiver for 2001-02 (past year) as well as other federal fund sources to backfill for General Fund support.** These increased federal funds were **mainly attributable to adding about 9,000 new persons to the Waiver** for the period from April 1 to June 30, 2002 (the end of the last quarter of the 2001-02 fiscal year). **The Legislature adopted this proposal as part of SB 18x (Chapter 3, Statutes of 2002), the Mid-Year Reduction bill.**

Governor's Proposed Budget: The budget proposes **to capture an increase of $99.7 million in additional federal funds over the current year obtained through a series of program changes, and to obtain an additional $500,000 in federal reimbursements for a total of $100.2 million in additional resources.**

Of the total increased federal funds amount, **$92 million is proposed to be used to backfill for General Fund expenditures in Purchase of Services,** and the remaining amount is to be expended for various purposes as discussed below.

The DDS proposes to *obtain* $99.7 million in additional federal reimbursements as follows:

- **$13.4 million by increasing the Home and Community-Based Waiver cap** from 46,447 consumers **to 55,000 consumers;**
- **$27.7 million by redesigning and implementing new Transportation Services vendor policies** (such as record keeping, procedures for vendorization, and billing functions) to obtain federal reimbursement under the Home and Community-Based Waiver;
- **$18.7 million by adding and redefining selected services offered under the Home and Community-Based Waiver**, including services pertaining to education, interdisciplinary assessments, respite, supported living vendor administration, and habilitation supports and services;
- **$26.4 million** by implementing **a system to capture funding for the administrative costs incurred by the Regional Centers** that pertain to Home and Community-Based Waiver functions; ***and***
- **$13.5 million** by recalculating and revising the method used for making rate determinations under the state's Targeted Case Management (TCM) Program.

The $100.2 million in total federal funds and reimbursements is proposed to be *expended* as follows:

- **$92 million will be used as a General Fund backfill** for the Purchase of Services;
- **$6.5 million is proposed for Regional Center Operations support as follows:**
    - **$5.8 million to address RC infrastructure and workload issues** to meet more stringent federal requirements related to contracting, documentation, and administrative practices to support the capture of additional federal funds and manage the direct and ongoing workload related to increasing the Waiver caseload, including accelerated enrollment of 3,302 additional consumers during the budget year.
    - **$697,000 and two positions to address various issues regarding** certain Home and Community-Based Waiver administration functions, and to provide for a specialized legal contract regarding the receipt of federal funds and billing.
- **$1.6 million is proposed for Transportation Services vendors to complete certain billing requirements;** ***and***
- **$1.3 million ($669,000 General Fund) and 16 positions are proposed for certain DDS Headquarters support functions as follows:**

- **$779,000 for 9 positions** to expand fiscal and compliance monitoring reviews as required by recently released federal CMS criteria;
- **$402,000 and 5 positions** to maintain existing compliance with federal fiscal and program requirements; ***and***
- **$156,000 and 2 positions** to conduct certain administrative functions that pertain to changes in Transportation Services billing and reimbursement.

Subcommittee Staff Comment: The above proposed activities are reasonable proposals in order to obtain enhanced federal funds. Some of these options will require federal approval through Medicaid (Medi-Cal) State Plan Amendments and in some cases, Waiver amendments. Further, some system modifications in the areas of vendor billing, Regional Center billing, and the like will need to be thought through and completed.

In addition to the above items, there is further potential to obtain more federal funding. For example, there is even more potential to restructure or add more services to the Waiver. In addition, some more administrative functions may qualify for a 75 percent federal match instead of the 50 percent match that is assumed in the proposal. **Further research on these issue needs to be conducted.**

Also it should be noted that the state is not yet claiming reimbursement under the Home and Community-Based Waiver for the South Central Los Angeles Regional Center; however, discussions are ongoing to bring them under the Waiver.

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1.** Please **briefly summarize the key changes and activities that will be done to obtain the increase in federal reimbursements.**
- **2.** Please **briefly explain the need for and purpose of, each one of the proposed expenditures.**
- **3.** Please **discuss the DDS' additional thoughts that are being researched and reviewed to identify potential future increases in federal reimbursement.**

Budget Issue: Does the Subcommittee want to adopt the Administration's proposal or request that **Subcommittee staff develop additional options for potentially obtaining increased federal funds?**

4. Implement Statewide Standards for the Purchase of Services *(See Hand Out)*

Background: The Regional Centers are responsible for providing a series of services, including case management, intake and assessment, community resource development, and individual program planning assistance for consumers. **Regional Centers also purchase services for consumers and their families from approved vendors and coordinate consumer services with other public entities.**

The Governor's budget proposes to expend $1.948 billion (total funds) for Regional Center's to purchase services for consumers.

As recognized in the Lanterman Act, differences (to certain degrees) may occur across communities (Regional Center catchment areas) to reflect the individual needs of the consumers, the diversity of the regions which are being served, the availability and types of services overall, access to "generic" services (i.e., services provided by other public agencies which are similar in charter to those provided through a Regional Center), and many other factors.

The DDS, in consultation with the Association of Regional Center Agencies, annually allocates POS funds through a contract process in which each RC receives a base allocation and then subsequent allocations as determined by the DDS. **The allocation of POS funds is primarily based on the previous year's expenditures plus growth which may not be fully reflective of consumers needs in some areas.**

Budget Act of 2002—Unallocated Reduction: In the Budget Act of 2002, **an unallocated reduction of $52 million (General Fund) (one-time only) was enacted for POS in lieu of proceeding with the Administration's proposal to implement statewide standards for POS.**

Current Year Deficiency: The Legislature is in receipt of a current year deficiency for the Regional Center appropriation. Specifically through Government Code, Section 13332.04, the Legislature **was notified of a deficiency of $40 million ($13.7 million General Fund) for the Regional Centers. This deficiency consists of three key components as follows:**

- Regional Center Operations shortfall of $1.8 million (total funds);
- Regional Center POS shortfall of $32.2 million (total funds); and
- Habilitation Services shortfall of $6 million (total funds).

According to the DDS, the $1.8 million for RC Operations is attributable to increased caseload population growth.

With respect to the **RC POS shortfall of $32.2 million, the following should be noted:**

- $23 million is due to increased expenditures for other services;
- $6.1 million is due to increased expenditures for Day Program services;
- $1.4 million is attributable to Out-of-Home placement; and
- $1.7 million is for increased expenditures in Transportation services.

It should be noted that this **RC current year deficiency is contained in SB 1070 (Chesbro)** and has moved from the Senate floor to the Assembly for their consideration.

Governor's Mid-Year Reduction Proposal—Statewide Standards: The Administration proposed legislation in the Special Session in order to enact statewide purchase of services standards as of July 1, 2003. The DOF assumed a reduction of $100 million (General Fund) in 2003-04 from this proposal. **The Legislature deferred decision on the statewide standards proposal for budget year discussion purposes.**

Governor's Proposed Budget (See Hand Out): The budget assumes **a savings of $100 million (General Fund) from the enactment of legislation to implement statewide purchase of services standards. The proposal does not articulate any assumptions as to how the $100 million (General Fund) in savings is derived.**

Instead, the proposed language grants very broad authority to the DDS to: (1) prohibit any consumer services or supports by type (such as Respite), **(2)** limit the type, duration, scope, location, amount, or intensity of *any* services and supports provided to consumers through the purchase of services by the Regional Centers, and **(3)** impose payment reductions and closure days on categories of vendors in order to insure that Regional Centers stay within their budgeted appropriation level.

In addition, the language explicitly states that consumers may *not* appeal a change in their services or supports if (1) the type of service or support has been prohibited through the actions of the DDS, or **(2)** the individual service or support has been reduced at the direction of the DDS in order to ensure that Regional Centers stay within their budgeted appropriation level.

The language also expresses that it is not the Legislature's intent to endanger a consumer's health or safety, nor place a consumer in a more restrictive setting in violation of the Olmstead Decision (1999, 527 U.S. 581). However, it is unclear how the DDS and RCs are to monitor this in order to assure something inappropriate does not occur.

Subcommittee Staff Comment: As discussed within the first few pages of this Agenda, overall expenditures for the Regional Centers have been escalating at a significant pace. **As such, consideration of cost containment strategies for POS as well as Regional Center Operations needs to be undertaken. However, the Administration's proposal as currently crafted raises substantial concerns.**

First, it is not a well crafted proposal. The Administration has not provided any fiscal detail as to how the savings are to be achieved, because none exists. The savings figure simply assumes that the $52 million (General Fund) unallocated reduction taken in the Budget Act of 2002 is subsumed in the proposed statewide standards and that additional funds are obtained to achieve the round savings figure of $100 million (General Fund).

Second, though the proposed language is referred to as establishing "statewide standards" for the purchase of services, the language does not function in this manner. It simply provides the DDS with broad reduction authority. **For example, the language does *not***

articulate any principles, process, or framework that would address what the standards would be nor how they would be applied on a statewide basis.

Third, it is evident that $100 million in General Fund savings would be near impossible to achieve unless certain services are eliminated and provider rates in other service categories are reduced. This is because certain service categories—such as residential services and supported living—would be extremely difficult to reduce since these are fundamental services whose costs reflect staffing standard requirements, housing needs and basic amenities. These two service categories constitute 39 percent of expenditures for the purchase of services (based on actual data from 2001-02).

The other significant service categories include Adult Day Programs (27 percent of expenditures), Respite Services (9 percent), Transportation Services (8.8 percent), and Infant Development Services (4.7 percent) (based on actual data from 2001-02). After the Residential Services category, these services reflect the highest expenditures.

Other service categories such as Behavioral Services, Medical Care and Services, Medical Equipment and Supplies, and Therapy Services may be difficult to reduce for a reduction might endanger the health, safety and life of an individual. In addition, expenditures for these services are relatively small.

Finally, there are some very small categories, such as Social Recreational Activities and Camp Services; however, these expenditures are relatively minor so their elimination would not amount to much savings.

Given the nature of the above outlined expenditures, it is likely that a significant level of the Administration's proposed reduction would need to come from Adult Day Programs, Respite, Transportation and some more minor cost areas such as Social Recreational Activities.

Subcommittee Staff –Options to Consider: As discussed above, the Administration's proposal as currently drafted poses considerable policy as well as fiscal concerns. **Consideration of additional options should be considered. For example:**

- Should the POS line item be solely responsible for the burden of the entire reduction, **or should some portion be shouldered within the Regional Center Operations line item** (i.e., outside of the Home and Community-Based Waiver requirements)?
- **Could certain services**, such as some of the Social Recreational Activities, Camp or other services **be temporarily suspended for a time period during this fiscal shortfall, instead of most likely being eliminated indefinitely (such as would likely occur under the Administration's proposal)?**
- **Are all relevant generic services (such as Day Care) being accessed prior to Regional Centers purchasing services through the POS line item?**
- **Are all service system efficiencies being considered—for example, consumer mobility training could be used to reduce Transportation Services--?**

Further, if purchase of service reductions are to be enacted, it is recommended to completely re-craft the language to establish a more comprehensive framework for service determinations, including stakeholder community participation, and to establish a more reasonable savings level that recognizes the need to not reduce certain core services.

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1.** Please provide a **brief description of your proposal**, including the trailer bill language.
- **2.** Based on your knowledge of **core services** provided to individuals with developmental disabilities **would some services have to be eliminated** in order to obtain the $100 million in General Fund savings from POS?

Budget Issue: Does the Subcommittee want to adopt the Administration's proposal **or request technical assistance from the DDS for Subcommittee staff to explore additional options and alternatives as outlined above?**

5. Proposed Revision of Eligibility Definition *(See Hand Out)*

Background: **To be eligible for Regional Center services, the disability must begin before the consumer's 18th birthday, be expected to continue indefinitely, present a significant disability and be attributable to certain medical conditions, such as mental retardation, autism, and cerebral palsy.**

Governor's Proposed Budget: The budget **proposes savings of $2.1 million (General Fund) through legislation which would apply the federal standard for "substantial disability" to existing state eligibility criteria. The federal standard for substantial disability requires the clinical determination of significant limitations in three or more of the seven major life activities.**

These **major life activities would address clinical capacity in the areas of communication, learning, mobility, self-care, self-direction, economic self sufficiency, and independent living.** The Administration states that **the new standard would be applied prospectively so that those currently receiving services will not be affected.**

Based on existing consumer characteristics (data from the Client Developmental Evaluation Report—CDER), the DDS estimates that about 400 persons per year would *not* be eligible for Regional Center services. These estimated 400 persons would generally be school age children or young adults with mild mental retardation, or another disability, without severe medical or behavioral needs.

The DDS further states that the clinical judgement of the Regional Centers in applying the proposed new standard for substantial disability would be the key determining factor.

Subcommittee Request and Questions: The Subcommittee **has requested the DDS to respond to the following questions:**

- **1.** Please **briefly describe the proposal**, including the trailer bill language.
- **2. Please describe whom would be affected by the proposal.**

Budget Issue: Does the Subcommittee **want to adopt or modify the proposal?**

C. State Developmental Centers

Background on the State Developmental Centers

State Developmental Centers (DCs) are fully licensed and federally certified as Medicaid providers via the California Department of Health Services. **They provide direct services which include the care and supervision of all residents on a 24-hour basis, supplemented with appropriate medical and dental care, health maintenance activities, assistance with activities of daily living and training.** Education programs at the DCs are also the responsibility of the DDS.

The DDS **operates five Developmental Centers (DCs)—Agnews, Fairview, Lanterman, Porterville and Sonoma. Porterville is unique in that it provides forensic services in a secure setting.**

In addition the department leases Sierra Vista, a 54-bed facility located in Yuba City, and Canyon Springs, a 63-bed facility located in Cathedral City. Both facilities provide services to individuals with severe behavioral challenges.

Background on Growth in Expenditures and Decline in DC Population

State operated facilities are entitled to payment for Intermediate Care Facility (ICF) services at actual allowable costs for services for individuals with developmental disabilities. Reimbursement levels for payment of services is based on rates developed by the DDS and approved by the DHS. **Medi-Cal reimbursement is available for most DC services,** except for nine residential units at Porterville DC (no longer eligible due to forensic-related issues). **Canyon Springs is still pending DHS certification (required to receive federal reimbursement) which is expected by March 31, 2003.**

These rates are specific to each DC based on an approved rate development methodology that uses census data and the actual allowable costs for provision of appropriate residential and treatment services based on standards and guidelines. **According to DDS data, the average cost per person residing at a DC is about $179,000 per resident annually. This reflects an increase of 65 percent since the Budget Act of 1995.**

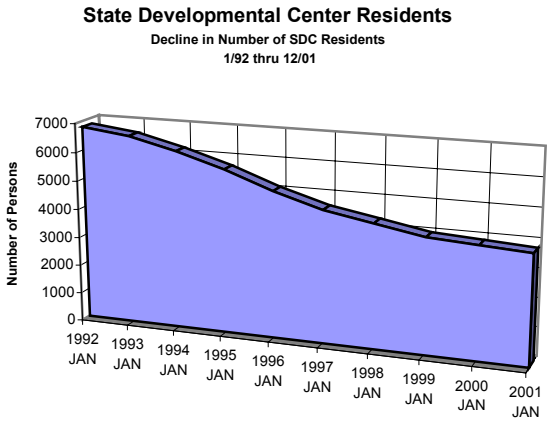
With respect to overall DC expenditures, they have increased by 26 percent since the Budget Act of 1995 even though the DC population has declined by about 24 percent.

According to DDS data, the average cost per person residing at a DC is about $179,000 annually. Due to differences between the DCs, including resident medical and behavioral needs, overall resident population size, staffing requirements, fixed facility costs and related factors, the annual cost per resident varies considerably and is as follows:

- Canyon Springs $255,574 annual cost per resident
- Sierra Vista $213,923

- Agnews $208,935
- Lanterman $158,336
- Sonoma $157,530
- Fairview $147,690
- Porterville $144,015

As noted in the chart below (actual populations shown), the DC population has declined significantly since the early 1990's. This declined has occurred as more individuals are served in the community. **The landmark settlement agreement in *Coffelt v. DDS*, et al (1994) further facilitated the development of quality community resources and the progression of individuals choosing to live in community-settings. It was through this agreement that California began to really expand services offered through the Home and Community-Based Waiver and to utilize the increases in federal reimbursements to more effectively enable individuals to live outside of the DC facility model. The DCs initially downsized in resident population by 2,000 in response to the Coffelt Settlement.**



Summary of Governor's Proposed Budget

The **budget proposes expenditures of $668.9 million ($368.5 million General Fund), including $655.1 million for operation of the DCs and $13.8 million for state support, to serve 3,596 residents who reside in the state Developmental Center system. This reflects a caseload decrease of 71 residents and a marginal net decrease in funds of $428,000 as compared to the revised 2002-03 budget.**

The total number of positions proposed for the Developmental Centers in the budget year is 8,662, a net decrease of 17 positions compared to the current year.

- Reduces by $6.7 million ($3.9 million General Fund) and 91 Level-of-Care staff and 8 Non-Level-of-Care staff based on the revised DC population level.

- Augments by $44.5 million (Public Building Construction Fund) for preliminary plans, working drawings and construction of a 96-bed expansion in the secured treatment area at Porterville Developmental Center. (To be discussed at a later Subcommittee hearing.)
- Augments by $5.7 million (Public Building Construction Fund) for preliminary plans, working drawings and construction of a recreation complex in the secured treatment area at Porterville Developmental Center. (To be discussed at a later Subcommittee hearing.)
- Provides an additional $406,000 ($237,000 General Fund) and five new state positions to complete investigations of consumer safety at the DCs in a timely manner. (To be discussed at a ***later*** Subcommittee hearing.)

ITEMS FOR DISCUSSION

1. Developmental Center Adjustments for Population

Background: Each year, **the budget is adjusted to reflect direct care and non-level-of-care staffing requirements in order to meet resident needs and licensing requirements**. These staffing adjustments are based on the projected number of individuals living at the DCs and their individual program needs based on the Client Developmental Evaluation Report (CDER) process.

The DC population is based on three components—admissions, placements from the DCs and deaths.

Population Estimates: At this time, it is estimated that the average in-center population will be 3,667 residents and that a **net reduction of 71 residents will occur during 2003-2004 for a year-end population of 3,596 residents (as of June 30, 2004). This population includes 414 individuals with a forensic designation.** Based on the CDER process, the residents continuing to reside at the DCs will require more intensive care.

The budget assumes the following population information for each facility:

Developmental Center	Estimated 2003-04 Population	Change from Current Year
Agnews	433	-21
Canyon Springs	58	8
Fairview	783	2
Lanterman	629	-11
Porterville	818	-33
Sierra Vista	56	3
Sonoma	819	-19
TOTALS	**3,596**	**-71**

It should be noted that these caseload adjustments will be updated at the May Revision.

Governor's Proposed Budget: The **budget proposes a net decrease of about $428,000 (increase of $1.9 million General Fund, decrease of $2.3 million in Medi-Cal reimbursements, and $67,000 in federal funds) due to a projected decrease of 71 residents at the DCs.** This funding estimate assumes **a decrease of 17 positions** (i.e., a decrease of 6 Level-of-Care positions and decrease of 11 Non-Level-of-Care positions). **Based on the CDER process, the residents continuing to reside at the DCs will require more intensive care.**

Based on the proposed population adjustment, **the *baseline budget* for the DCs is a total of $653.7 million ($360.2 million General Fund, $290.8 million in Reimbursements—mainly federal Medicaid funds from the DHS--, $2.1 million Lottery Fund, and $633,000 other federal funds) for the budget year.**

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1.** Please provide a **brief summary** of the proposal.
- **2. When will Canyon Springs be certified by the DHS** so the DDS may receive federal reimbursements for this facility?

Budget Issue: Does the Subcommittee want **to adopt the proposal pending the receipt of the May Revision?**

2. *Bay Area Project and Future Closure of Agnews*

Background—Continual Decline in the DC Population and Closure of Two DCs: As noted above, the population at the DCs has been declining over the past ten years. **California completely closed two DCs-—Stockton and Camarillo—and closed the West campus at Agnews in the early to mid-1990's. These closures required considerable planning, community resource development, and most importantly—person centered planning to provide for consumer and family choice in selecting the most appropriate living environment, as well as service supports.**

Through these closures and consumer transitions, many lessons have been learned on how to effectuate transition to the community. **Planning every detail of the transition and working closely with consumers, their families, local constituency groups and other interested parties is one of the most critical aspects. As such, the Legislature requires the Administration to submit a report by April 1 of the year prior to closure of a DC (for example, April 1, 2004 would provide for closure by June 30, 2005) to facilitate public input into the process and to be an involved partner to ensure that appropriate resources and communication occur**.

Background—Existing Statewide Community Placement Plan (CPP) Process: Existing statute **requires the DDS to ensure that individuals with developmental disabilities live in the least restrictive setting which is appropriate to their needs**.

The existing statewide **Community Placement Plan (CPP)** process **is designed to assist Regional Centers in providing necessary services and supports for individuals to, when appropriate, move from state Developmental Centers (DC) to community-based services. It will also provide the resources necessary to stabilize the selected community living arrangements of individuals** who have been referred to the Regional Resource Development Project (RRDP) for alternatives to admission to a DC (i.e., deflection).

Under the CPP process, **the Regional Centers must provide the DDS with detailed plans regarding:**

- The individual consumers, needed resources, services and supports who will be moved from the DCs;
- The individuals referred to RRDP due to unstable community living arrangements and what their needed resources are; and
- The individuals who will be assessed for community placement.

These plans are updated *twice* annually to ensure continuity of services and appropriate funding levels. The DDS states that they will be working closely with the RCs, individuals and their families, each RRDP and the DCs to coordinate the involvement and support to implement the plans that will result in individuals living in community settings.

Governor's Budget Proposal—Bay Area Project: The Administration **proposes to develop a strategic plan to among other things, develop community capacity and resources to facilitate the eventual transfer of individuals from Agnews DC to either an appropriate community setting or to another DC. The actual closure of Agnews would not occur until the end of June 2005, at the earliest.**

The DDS notes that the number of community placements that can be made is based on the individual needs of the consumer and the capacity of the community to provide the services and supports to meet those needs. This proposal would establish a project team to begin assessing available resources and identifying additional resources necessary to transition consumers. No additional funding is being requested for this purpose. All budget year expenditures would be absorbed within the Sacramento headquarters.

The DDS states that **the closure plan will aim to ensure the development and implementation of services and supports for individuals who would be placed in the community or in another DC. The plan will also address employment opportunities for staff and the disposition of the Agnews DC buildings and land. Other key aspects of the plan are to include:**

- Determining the feasibility of a **"Regional Service Hub"** that would utilize a cadre of clinical and professional staff to provide support to consumers in the community;
- Supporting the implementation of the Community Placement Plan in the Bay Area;
- Monitoring implementation of person-centered assessments for all consumers residing at Agnews; and

- Monitoring and assisting with all relocation activities of Agnews consumers residing at Agnews;

The DDS has established a Steering Committee & Project Team, as well as an Advisory Committee for the project. The Steering Committee & Project Team consists of a project team leader and assistant from the DDS, the Deputy Directors of the DC Division and Community Services Division, and the Executive Directors of the Agnews DC, Regional Center of the East Bay, San Andreas Regional Center, and Golden Gate. **The Advisory Committee** will provide input to the DDS regarding the development of all aspects of the closure plan. **The first meeting of the Advisory Committee was just convened on February 22, 2003.**

The DDS has also established **several Planning Teams**, including the following:

- **Agnews Staff Support Team:** Responsible for identifying supports and resources needed by Agnews employees to develop their personal plans to utilize their expertise in future employment opportunities and to assure the provision of staff support systems during the transition process.
- **Quality of Services Team:** Assures that Agnews continues to provide services consistent with the residents' needs.
- **Futures Planning Team:** Monitors the person-centered planning process that will result in the identification of a preferred future for each Agnews resident.
- **Community Development Team:** Coordinates the development of services and supports that will be responsive to the needs of Agnews' residents transitioning to community services.
- **Communication Team:** Designs and implements strategies to assure consumers, their families and other stakeholders are kept informed and have opportunities to provide input.
- **Business Management Team:** Identifies operational issues related to areas such as facility operations, construction projects, fiscal management and space utilization.

LAO Comment—Lanterman: The LAO concurs with the need to proceed with the closure of the Agnews DC. In addition, they contend that the state should begin planning for the closure of the Lanterman DC and that this facility should be closed within the next five years.

Subcommittee Request and Questions: The Subcommittee has requested the DDS to respond to the following questions:

- **1.** Please provide **a brief summary** of the proposed project.
- **2. How will this project be *different* from other DC closures?**

Budget Issue: Does the Subcommittee **want to adopt the Administration's proposal to proceed with the development of a strategic plan, as well as all other aspects of the Bay Area Project?**

THIS IS THE LAST PAGE OF THE AGENDA